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March 12, 2010

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Ms. Cynthia T. Brown
Chief of the Section of Administration, Office of Proceedings
Surface Transportation Board
395 E Street, S.W.
Washington, D. C. 20423

RE: Docket No. AB-55 (Sub-No. 698X), *CSX Transportation, Inc.—Discontinuance of Service Exemption—in Clark, Floyd, Lawrence, Orange, and Washington Counties, IN*
Docket No. AB-55 (Sub-No. 495X), *CSX Transportation, Inc.—Abandonment and Discontinuance Exemption—in Lawrence County, IN*

Dear Ms. Brown:

CSX Transportation, Inc. ("CSXT") is efilng these comments in light of the hearing held by the Surface Transportation Board on March 5, 2010 in Salem, IN (the "Hearing"). CSXT commends the Board for conducting the Hearing and has carefully considered the views expressed at the Hearing.

CSXT filed a notice of exemption on September 15, 1994 to abandon its 6.7-mile rail line between Bedford, IN, milepost Q-245.0, and near Mitchell, milepost Q-251.7, in Lawrence County, IN (the "Lawrence Line"). CSXT was permitted to discontinue service over the Lawrence Line. CSXT was prohibited from abandoning the Lawrence Line until the Soo Line Railroad Company (predecessor in interest to the Indiana Rail Road Company (the "INRD")) obtained authority to discontinue its trackage rights over the Lawrence Line and until CSXT informed parties seeking trail use or public use that the trackage rights had been discontinued. *CSXT Transportation, Inc.—Abandonment and Discontinuance Exemption—in Lawrence County, IN*, ICC Docket No. AB-55 (Sub-No. 495X) (ICC served January 27, 1995).

The INRD has not yet sought to discontinue the trackage rights over the Lawrence Line. However, in meetings with groups from Indiana, including some who appeared at the Hearing, CSXT has expressed its willingness to negotiate a sale of the Lawrence Line, including the option of a sale under the interim trail use/rail banking provisions of 16 U.S.C. §1247(d) and 49 C.F.R. §1152.29, if INRD discontinues the trackage rights.

CSXT filed a petition for exemption on December 18, 2009 to discontinue service over its 62.3-mile line between near Bedford, milepost Q-251.7, and near New Albany, milepost Q-314.0, in Clark, Floyd, Lawrence, Orange, and Washington Counties, IN (the "Hoosier Sub"), in order to reduce CSXT's costs, while at the same time giving the southern Indiana community the opportunity to plan for and generate rail business that will use the Hoosier Sub. CSX

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Transportation, Inc.-Discontinuance of Service Exemption-in Clark, Floyd, Lawrence, Orange, and Washington Counties, IN, STB Docket No. AB-55 (Sub-No. 698X). Local traffic has declined to the point where there has been no local traffic on the line since 2008. Overhead traffic provided by INRD under trackage rights was rerouted off of the Hoosier Sub beginning in July 2009.

INRD is authorized to operate over the Hoosier Sub pursuant to trackage rights. Hence, CSXT cannot abandon the Hoosier Sub until INRD discontinues its trackage rights. If INRD discontinues the trackage rights, CSXT will review the status of the Hoosier Sub. However, there is no schedule in place at this time for any action beyond the currently pending discontinuance.

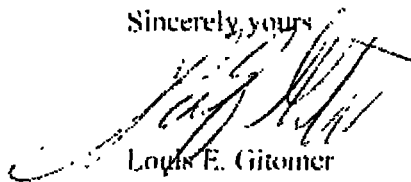
Contrary to the statement made by Mr. Umpleby at the Hearing, transcript page 23, lines 13-17, CSXT did respond to the request from Radius Indiana for information concerning an offer of financial assistance. CSXT provided the information in a letter dated and electronically served on Radius Indiana on February 22, 2010, which was filed with the Board on February 25, 2010.

CSXT respectfully requests the Board to grant the petition seeking an exemption for CSXT to discontinue service over the Hoosier Sub because of the continued burden on CSXT of operating the Hoosier Sub and the lack of use of the Hoosier Sub.

I certify that I have served a copy of this letter on all parties of record by pre-paid first class mail or by electronic service.

Please contact me if you have any questions.

Sincerely, yours



Louis E. Gitomer

Attorney for: CSX Transportation, Inc.